

EMPLOYMENT INFORMATION REPORT

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AOTEAROA LEGAL WORKERS' UNION

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INTRODUCTION & SUMMARY

The purpose of the Aotearoa Legal Workers' Union (**ALWU**) is to transform legal workplaces through advocacy and action. As part of that transformation, ALWU aims to increase the transparency of legal workplaces. In ALWU's view, current and prospective legal workers who have access to information about pay, benefits, and working conditions will be empowered when deciding where to work, and better able to advocate for fair treatment in their workplaces once they are employed.

For ALWU, just like for its members, Covid-19 defined 2020. Amongst the difficulties and tragic losses resulting from Covid-19, there were some silver linings. Law firms learned the value in working flexibly and that there are now no grounds to deny staff the choice to work from home. 2020 proved that the true strength of a workplace is its people. Unfortunately, some legal employers also showed that their rhetoric about putting people first and focusing on staff wellbeing does not always stand up to scrutiny. ALWU's legal advocacy team was highly active during the Covid-19 lockdown and the months that followed, defending members who had been improperly made redundant, put on reduced hours, or were pressured to accept unjust pay cuts.

ALWU provided its members a report on the range of Aotearoa legal employers' responses to the Covid-19 pandemic. ALWU congratulates firms who provided extra support to their employees during the stressful time of lockdown, but condemns those firms who have privatised the profits while socialising the losses. ALWU was disappointed by firms who asked those to bear pay cuts who could least afford it, namely junior lawyers and support staff. One large law firm reduced its support staff salaries to 40 per cent during lockdown. Meanwhile, partners continued to take drawings and employees have no knowledge of whether Covid-19 affected their earnings too – did they reduce their profit intake by 40 percent? ALWU knows staff will see this conduct for what it is, and that it will drive the movement towards collective bargaining in 2021.

The private legal profession is notoriously secretive over information such as that contained in ALWU's Employment Information Reports. Salary information is treated as a closely guarded secret and none more so than the drawings of full equity partners. This secrecy has negative effects for legal workers - leaving them unable to gain an accurate understanding of their firms' financial position and whether their remuneration reflects fair value for their work. However, legal workers (in particular ALWU members) are leading a change movement by openly discussing poor work conditions, raising issues, comparing salaries, and speaking out if they feel underpaid.

This Employment Information Report 2020 (**Report**) is based on ALWU's Employment Information Survey 2020 (**Survey**) of 245 legal workers, sent to each of ALWU's members in 2020. The purpose of the Survey was to gather information on the salaries and working conditions of lawyers, including (and in particular) junior lawyers.

In short, the key findings of the Survey are as follows:

- 15 percent of respondents working at large law firms reported that they had, or thought that they had, worked for less than the minimum wage when their fortnightly salary was divided by the number of hours that they had worked. This shows a significant improvement compared to the finding in ALWU's 2019 Report that over 50 percent of respondents believed they had worked under Minimum Wage. This progress comes as a result of ALWU's Minimum Wage Compliance Campaign and meetings with law firms, but there is more work to be done.
- Legal workers at large firms are paid very similar salaries at junior levels, regardless of the hours that they work. Graduate or law clerk salaries at large firms range from \$48,000 - \$50,000. Salaries increase to \$56,000 - \$60,000 in legal workers' second year of employment, and to \$66,000 - \$75,000 in their third year of employment.
- Bonuses for junior legal workers are opaque, rare, and of low value.
- Public sector legal workers reported being the most satisfied with their work-life balance, and were the most likely to recommend their employer to a friend.

These findings are expanded on in this Report.

METHODOLOGY



As mentioned above, this Report is based on ALWU's Employment Information Survey 2020, which was sent to each of ALWU's members in 2020. We received 245 responses.

The purpose of the Survey was to gather information on the salaries and working conditions of lawyers including, and in particular, junior lawyers. ALWU hosted the Survey through Google Forms, a survey administration software available in the form of a web application. This application allowed respondents to fill in the Survey online at their convenience. ALWU members received an invitation to participate in the Survey through email distribution lists and the Survey was promoted across ALWU's social media and other communication channels. Members were sent two subsequent reminders to fill in the Survey and encouraged to forward the Survey request to other contacts.

The Survey was designed with the aim of gathering both quantitative and qualitative data, comprising of open-ended questions, multiple choice questions with predefined answers (with optional space to elaborate on the answers), and questions giving respondents the ability to grade statements on a 5-point Likert-type scale. The Survey consisted of a total of 51 questions, with topics covering salary and bonuses, time off in lieu and overtime, billing and hours, job satisfaction and mental health. Not all questions were compulsory.

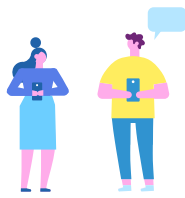
Overall, the questions were tailored to people working in private firms because ALWU's belief is that private firms are less transparent than other legal employers about salaries and working conditions, particularly public sector employers. The Survey was anonymous.

ALWU supplemented the information provided to it by respondents in the Survey with information from its delegates and matching data against information gathered under the Official Information Act 1982. Further, ALWU has taken steps to verify that information by providing a draft copy of this Report to the law firms that are named in it. The data gathered was analysed by a sub-committee within the ALWU Executive, with the analysis conducted and conclusions drawn cross-checked for accuracy.

Where ALWU did not receive a sufficient number of responses to a particular question and was unable to draw robust conclusions about legal workers' experience at a specific workplace or type of workplace, those conclusions have been excluded from this Report. In situations where the eliminated conclusions form part of a larger table, the table notes "insufficient data". "Insufficient data" may be due to too few responses, or due to a risk that displaying the particular data could identify the respondent.

The classifications of firms are based on either the number of partners listed on their websites or on the type of employer:

- Large firms are private law firms with 26 or more partners.
- Medium size firms are private law firms with between six and 25 partners (inclusive).
- Small firms are private law firms with five or fewer partners.
- In-house refers to private and state-owned enterprise in-house employers.
- The public sector includes all public sector employers.



DISCLAIMER



The information in this Report is self-reported. ALWU did not attempt to contact members of any workplace beyond members who received the Survey via email. Members were encouraged to forward the Survey on to other employees in their firm who they thought may be interested, which has increased the breadth of data. ALWU has supplemented the information provided to it by respondents in the Survey with information from its officers and delegates.

ALWU does not assert that the factual information in this Report is completely accurate.

Salary information

Salary information was obtained for the public sector and the private sector as follows.

For the public sector, information requests were made under the Official Information Act 1982. ALWU is confident that the salary information of all entities subject to this Act is accurate as at the time of making the request.

Private sector salaries are self-reported. Where salaries are fixed, for example the law graduate salaries at all large law firms, ALWU is confident in the response. Where salaries fall on a band, such as most second year solicitors and above, this Report shows the lowest and highest response for employees at the level in each category of workplace. ALWU acknowledges that the full range of bands for employees may or may not extend below or above these figures. This Report reflects, at a minimum, part of the range.

Anonymity

ALWU is committed to the anonymity of the Survey respondents. This is of particular consideration due to the unfortunate reality that there is ongoing fear of repercussions against staff who are active ALWU members, despite statutory protection against such discrimination.

The Survey did not ask for proof of the respondents' places of work and no steps were taken to verify their identities. That said, the consistency of the responses and the similarity in the numbers of ALWU members at a workplace and the number of respondents from that workplace give ALWU confidence that the information is reliable.

Where there was any risk that publishing a response risked identifying the respondent, the information was not published. This primarily occurred where there was a very low number of responses from a particular workplace or where a workplace has so few employees that members would be identifiable.

The Survey was not of a representative sample of legal workers, and this Report is not intended to draw conclusions that are applicable across all legal workplaces. Instead, this Report identifies a range of issues facing at least some legal workers that, irrespective of how widespread they are, require our collective attention, discussion, and action.

Where ALWU did not receive a sufficient number of responses to a particular question to draw robust conclusions about legal workers' experience at a workplace / type of workplace, those conclusions have been excluded from this Report.



MINIMUM WAGE COMPLIANCE

In 2020, the minimum wage started at \$17.70 per hour, rising to the current rate of \$18.90 on 1 April 2020. For the purposes of this Report, all comments and Survey responses refer to the \$18.90 minimum wage. On 1 April 2021, the minimum wage will rise again to \$20.00 per hour. This means that a person working 37.5 hours a week must earn at least \$41,600 annually from 1 April 2021 (in 2020 the minimum annual salary was \$36,855).

Contracted hours are irrelevant to minimum wage calculations. The calculation depends on hours actually worked. As shown below, almost all legal workers routinely work in excess of their contracted hours and very few employers have non-discretionary overtime policies. Therefore, low-paid legal workers are at risk of being paid less than minimum wage.

Employees' work hours include time spent awaiting work, taking toilet or paid rest breaks, helping to organise social events, team meetings and coffees, training, and all other activities that the employer requires. It is not limited to billable work. In these moments, an employee is working because they are ready, willing and able to work, and are restrained from doing as they please. That is why it is so important for employers to have a system where workers can record all the hours they are working.

A hypothetical



Amanda is a law graduate at Simpson Tripp being paid a salary of \$52,000/year (excluding Kiwisaver), or \$2,000/fortnight gross. Her contract states her standard hours of work are 37.5 hours a week, 8:30am - 5pm, Monday to Friday. A big case comes into her team, requiring her to work late and on Saturday for two weeks. She works a total of 57 hours in the first week and 64 hours in the second week. Amanda's average pay per hour for the fortnight is \$16.53 (\$2,000 divided by 121 hours).

The above events are entirely fictitious and any similarity to actual people or events is coincidental.

Simpson Tripp must top up Amanda's pay by at least \$287 to ensure she is paid minimum wage for this pay period. If Simpson Tripp does not top her up as part of her pay for this period, the firm has violated the Minimum Wage Act 1983 and Amanda should contact her ALWU delegate to bring a claim on her behalf.

ALWU's recommended approach to employers

ALWU's position is that all firms should be living wage certified and monitor all work hours to ensure that workers are remunerated to at least a living wage, let alone a minimum wage, whenever there is a breach. Ideally, however, workers' salaries should be sufficiently high that a breach is never a realistic possibility. In collective bargaining, ALWU will seek to include mandatory overtime clauses ensuring that no member is paid less than minimum wage.



The results



15% of legal workers in large law firms reported having worked for an average of less than the minimum wage, or thinking that they had.



Of the respondents who were paid less than minimum wage, only 22% received the legally mandated top up payment. These means that 78% of these respondents were not compensated legally for being paid less than minimum wage.



Only 22% of respondents were aware of active compliance monitoring from their employers.



25% of respondents reported that their employer does not actively monitor compliance with the minimum wage.



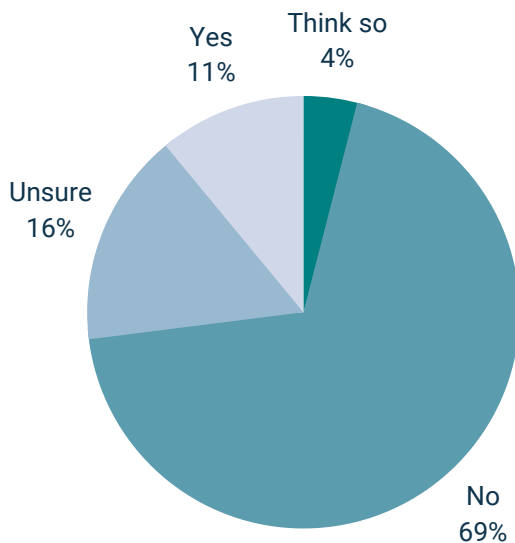
Minimum wage breaches have decreased significantly since 2019 where over half ALWU's members said they had worked under minimum wage.



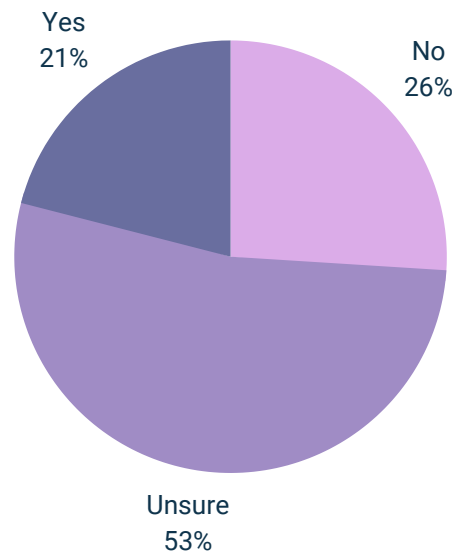
53% of respondents did not know whether their employer was monitoring compliance.

ALWU presented Survey respondents with a table setting out how many hours someone on their salary would need to work in a fortnightly period in order to be paid an average of less than the minimum wage. For example, a law clerk on \$46,000 p/a only needs to work 94 hours in a fortnight (ie, two 47 hour weeks) for their pay to average less than the minimum wage per hour. The answers that ALWU received are set out below.

Have you worked under minimum wage in the last year?



Does your employer monitor minimum wage compliance and all hours worked?



Bell Gully is reported as being the most active in its monitoring of minimum wage and employee hours.



Employees report Duncan Cotterill and MinterEllisonRuddWatts are not monitoring minimum wage compliance.



Bell Gully, Chapman Tripp, and Simpson Grierson have paid its employees top ups for minimum wage breaches.



Staff at Bell Gully, Buddle Findlay, Chapman Tripp, Duncan Cotterill, Meredith Connell, and Simpson Grierson believe they have worked under minimum wage in the year 2020.

Employer	Percentage of respondents stating firm actively monitors minimum wage	Considered they may have worked for less than minimum wage in the last year	Have received minimum wage top up	Perceived accuracy of time recording system (1 – not at all accurate, 5 – very accurate)
Bell Gully	92%	15%	15%	3.4
Buddle Findlay	6%	11%	0%	3.3
Chapman Tripp	38%	25%	25%	3.1
Dentons Kensington Swan	14%	0%	0%	3
Duncan Cotterill	0%	40%	0%	3.2
Meredith Connell	7%	10%	0%	3.9
MinterEllisonRuddWatts	0%	0%	0%	5
Russell McVeagh	67%	0%	0%	3.7
Simpson Grierson	8%	16%	8%	3.2

Living Wage Movement

The living wage is currently \$22.10 per hour, meaning a minimum salary would have to be \$43,095.

At time of publication, only four Aotearoa New Zealand law firms are certified by the Living Wage Movement Aotearoa New Zealand. By contrast, the entire banking sector in Aotearoa is living wage-certified.

The primary obstacle for law firms becoming living wage certified is time recording. The living wage requires employees to be paid at least the living wage for every hour actually worked, as opposed to their contracted hours. This Report shows legal workers routinely work over and above their contracted hours. Time recording is focused on billable time and inadequately enforced, such that most employers cannot reliably claim to keep accurate time records.

This obstacle, coupled with extremely low salaries for junior lawyers, will need to be addressed for the legal profession to become a modern living-wage sector. ALWU notes that a law graduate earning a \$50,000 annual salary only needs to work an average of 43.5 hours/week before they are being paid less than a living wage.

Law firms also need to revisit their cleaning, maintenance, and other staff who are typically contractors to ensure that their contracts require these workers to be paid a living wage.

ALWU applauds the four law firms who are leading the way by being living wage accredited: Anderson Lloyd, Darroch Forrest, Presland & Co, and Meredith Connell.



**anderson
lloyd.**

DarrochForrest
LAWYERS

Presland and Co Ltd

**MEREDITH
CONNELL**

REMUNERATION

One of the key drivers for the Survey was to address the lack of transparency around the salaries that legal workers are being paid by their respective employers, and the extent to which those salaries are consistent across the profession at each level. In short, the information gathered in the Survey shows that:



Lawyers in the first three years of their career are paid very similar amounts.



Junior staff in the public sector and at barristers' chambers are paid far more than those at private firms.



Salaries at small law firms increase at a lower rate than at medium and large firms.

Difference between private and public sector roles

One of the most striking findings from the Survey was the disparity between private and public sector salaries. In response to ALWU's official information requests, public sector respondents stated that remuneration is not locked to annual progression as it is in law firms. Instead, workers are paid on a large band, with the opportunity to move up that band as they gain experience and improve in their role.

The data also shows that the often repeated statement that "law firms start low but increase rapidly" is misleading. It is true that law graduate salaries are very low and that it takes at least two years for a worker to start earning a reasonable salary. However, a worker who stays in the public sector for three years will be financially better off than a worker who does the same in a large law firm.

Take two fictional workers. One starts at Russell Gully from university and the other starts at Treasury. After three years in each role, taking the midpoint of each band, the Russell Gully worker has earned a total of \$180,000. The worker at Treasury has earned \$251,528 - over \$70,000 more. Even if the Treasury worker was paid in the lower quartile of each band, they would still be substantially better off than the private sector worker.

It should be noted that Crown Law is an exception to this rule. At Crown Law, salaries are lower than comparable roles in private law firms.

The Survey shows the following:

- Junior legal staff in the private sector are underpaid.
- Salary increases have failed to keep pace with inflation in costs of living and increased productivity.
- The data implies that the named large legal employers may collude on salary increases. At minimum, there is no evidence of a competitive environment driving salaries up.
- The public sector pays substantially more than the private sector.
- Private sector salary increases are rigidly locked to years of experience, with narrow bands emerging in later years.

Minimum wage breaches, low salaries, and low salary increases stand in stark contrast with the high profits and partner takings at large law firms. It is clear that individual bargaining power is inadequate to address these issues and collective action is required.



Median pre-tax annual salaries (from responses only)

(excludes Kiwisaver, bonuses, overtime, insurance, wellness subsidy, or any other benefit)

Type of Employer	Less than 1-year legal experience (law graduate)	1 year	2 years	3 years	4 years
Large private firm (25+ partners)	\$49,987	\$57,659	\$69,698	\$79,266	\$84,594
Medium private law firm (6 - 24 partners)	\$47,042	\$56,907	\$60,668	\$72,160	\$83,809
Small private law firm (1 - 5 partners)	\$48,924	\$55,131	\$59,321	-	-
Public sector	\$53,828	\$63,209	\$66,488	\$71,320	-
Overall median	\$50,000	\$58,000	\$65,281	\$72,375	\$83,000

Note: this table excludes salary information obtained under the Official Information Act for the Department of Prime Minister and Cabinet; the Ministry of Business, Innovation and Employment; the Ministry of Foreign Affairs and Trade; and Treasury (see table below). Public sector figures are therefore lower than otherwise expected.

Aggregate information for pre-tax annual salaries (includes data outside survey responses)

(excludes Kiwisaver, bonuses, overtime, insurance, wellness subsidy, or any other benefit)

Employer	Graduate	Second year salary	Third year salary	Fourth year salary
Bell Gully	\$50,000	\$60,000	\$60,000 - \$80,000	-
Buddle Findlay	\$50,000	\$58,000	\$70,000	\$83,000
Chapman Tripp	\$48,500	\$58,000	\$68,000 - \$74,000	\$80,000 - \$86,000
Crown Law	-	\$60,000	\$65,000	\$70,000
Dentons Kensington Swan	\$48,000	\$56,745	\$70,000 - \$72,000	-
Department of Prime Minister and Cabinet	\$78,069 - \$105,623	\$78,069 - \$105,623	\$78,069 - \$105,623	\$94,716 - \$128,146
Duncan Cotterill	\$47,000	\$56,000	\$66,000 - \$68,000	\$79,000
Judges' clerks (DC, HC, CA, SC)	\$49,118 - \$54,752	\$59,022 - \$63,100	-	-
Meredith Connell	\$50,000 - \$55,000	\$55,000 - \$65,000	\$60,000 - \$80,000	\$70,000 - \$95,000
Ministry of Business, Innovation, and Employment	\$66,676 - \$79,620	\$66,676 - \$79,620	\$66,676 - \$79,620	\$90,112 - \$111,096
Ministry of Foreign Affairs and Trade	\$62,607 - \$79,997	\$62,607 - \$79,997	\$68,449 - \$92,607	\$78,540 - \$106,260
Russell McVeagh	\$50,680	\$60,195	-	-
Simpson Grierson	\$48,000	\$58,000	\$72,000	-
Treasury	\$67,865 - \$91,817	\$67,865 - \$91,817	\$78,069 - \$105,623	\$78,069 - \$105,623

Note: Salaries at some firms (such as Meredith Connell) are reviewed at the end of the financial year, as opposed to the end of the calendar year.

BONUSES, OVERTIME, AND TIME OFF IN LIEU

Bonuses

Bonuses continue to be elusive and largely theoretical, especially for junior lawyers. Although 56% of respondents working in the private sector reported that it was possible to be paid a bonus, only 19% had received one.

The overarching trend in narrative comments was that bonuses are completely discretionary. Whether an employee is paid a bonus is up to the supervising partner or manager. Respondents reported a lack of transparency around what bonuses are available, what requirements qualify a person for a bonus, and how they are calculated. Some respondents noted that they did not receive a bonus despite significantly exceeding budget requirements.

Respondents commented that bonuses were seen as impossible to receive as they were frequently linked to budgets. However, budgets were set at a level that would be difficult to reach and even harder to surpass. Furthermore, as most budgets are calculated on billed figures rather than hours worked, partners writing off or discounting time counted against a worker receiving a bonus regardless of how many hours they worked.

When bonuses were paid, they tended to be given in the form of a cash payment or Prezzy card. They also tended to be of low monetary value. The average monetary bonus received was \$2,000, with this number being substantially lower for the named law firms in the table below. They were almost entirely given once per year, meaning a yearly bonus in some cases amounting to less than one week of salary.

The public sector does not offer bonuses.



Overtime

Long hours and overtime largely occur because workers' personal time has no financial value to the employer. Under the current model of "salaries compensate for all time worked", the employer feels entitled to their workers at all hours as required. Therefore, practices such as unreasonable deadlines, routine late nights, and weekend work can easily become the norm. There is no incentive for an employer to manage their staff to ensure they can complete their work in standard work hours. Long hours in turn drive psychosocial harm, encourage workaholism, and lead to burnout and other mental health issues. Respondents reported long hours as their number one mental health risk.

Overtime addresses this by placing a financial cost for the employer making the employee work outside standard work hours. In the event that long hours are required, as does occur, the worker will be fairly compensated for the additional value that their time and labour has generated. This will also reduce the stress and burnout that long hours can cause, meaning there will be fewer incidences of psychosocial harm.

Unfortunately, firms show no signs of driving this change themselves. Only 20% of all respondents stated that they were aware of a formal overtime policy of any kind. This number dropped to 14% for private sector employees. Only 6% of respondents had actually received a formal or informal overtime payment.

Russell McVeagh is the only large law firm to have a formal overtime policy for lawyers. A non-discretionary, fair overtime system was one of the core recommendations in the Bazley Report. However, Russell McVeagh's policy states that if an employee works in excess of 95 hours in a fortnight, they are entitled to time off in lieu. If they do not use their time off in lieu, they can be paid out this leave, but only at 50% of their salary. ALWU notes that this policy requires staff to work an extra 20 hours a fortnight, or more than 2.5 extra days, before entitlement to overtime even begins to accrue.

12% of respondents stated their employers had informal overtime arrangements.

Respondents who reported that their employer does have either a formal policy or informal understanding provided some details of those arrangements. Common themes include:

- Overtime payments only being available for non-legal staff.
- No overtime payments being available except under the minimum wage reimbursement policy where non-compliance with the Minimum Wage Act has been raised by a worker.
- Payment for overtime being entirely discretionary and coming in the form of a Prezy card rather than a direct payment.
- Formal overtime policies only being applied to non-legal staff despite wording to the contrary in the policy itself and employment agreements.
- Overtime policies formally existing but never being applied.
- The ability to be paid overtime varying wildly even with the same partner, with even more variation between partners.
- Being told that workers are compensated for all reasonable hours worked, with working on the weekend falling within the scope of 'reasonable hours' despite salaries failing to reflect this.
- Overtime only applying to staff earning less than a maximum figure.
- One respondent commented that the process of getting overtime for excessive hours worked was only achieved "after a long battle".



Time off in lieu

Time off in lieu (**TOIL**) is where employees are given paid leave instead of financial compensation for working overtime. TOIL allows the employee to rest, recover from work, and safeguards against overwork and burnout.

Only 25% respondents reported that their employer has a formal TOIL policy. 35% of respondents reported that their employer does not have a TOIL policy at all, whether formal or informal.

Respondents who reported that their employer does have either a formal policy or informal understanding provided some details of when TOIL was awarded.

Common themes included TOIL being available under a limited number of circumstances, with application at their partner's discretion. Circumstances included working over public holidays; when at least 150% of their budget was reached; or where non-compliance with the Minimum Wage Act was brought to the employer's attention. Respondents felt that the policies were applied arbitrarily, with pre-approval often required.

Respondents noted that TOIL almost always required partner approval and was seen as a reward, not a recognition of work taking away from personal time. The discretionary nature of TOIL meant that there were significant variations in TOIL between teams within the same firm.

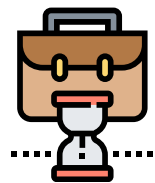
Employer	Percentage of respondents who received a bonus	Median bonus amount	Received overtime (formal or informal)	Received TOIL
Bell Gully	25%	\$275	8%	17%
Buddle Findlay	47%	\$1,000	0%	33%
Chapman Tripp	29%	\$1,000	0%	14%
Dentons Kensington Swan	33%	\$7,500	0%	33%
Duncan Cotterill	10%	-	10%	10%
Meredith Connell	42%	\$5,000	17%	33%
MinterEllisonRuddWatts	0%	N/A	0%	0%
Russell McVeagh	33%	\$1,000	0%	100%
Simpson Grierson	10%	-	0%	10%



Inconsistency in the provision of bonuses, overtime and TOIL, particularly where they are given at a partner's discretion.



All respondents at Russell McVeagh have received TOIL.



Overtime payment is rare. Respondents only reported overtime payment at Bell Gully, Duncan Cotterill, and Meredith Connell.



A lack of transparency around what bonuses, overtime and TOIL are available to them, and how they are calculated.

Workplace Satisfaction

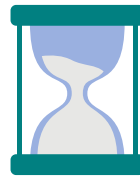
Overall, respondents working in large law firms were less satisfied with their job compared to their small and medium law firm and public sector counterparts. The below table shows average ratings for each question on a scale out of 5.

	"I am satisfied with my pay"	"I am satisfied with the hours I work"	"I feel valued in my job"	"I am satisfied with the culture at my place of work"	"I would recommend my job to others"	"Overall, I am satisfied with my job"
Overall	3.06	3.54	3.47	3.39	3.42	3.48
Large law firms	2.84	3.08	3.17	3.24	3.18	3.26
Small and medium law firms	2.90	3.42	3.47	3.18	3.16	3.27
Public sector	3.44	4.23	3.91	3.82	4.03	3.98
Private sector	2.92	3.29	3.30	3.23	3.19	3.30
Identify as male	2.78	3.40	3.44	3.31	3.40	3.40
Identify as female	3.14	3.59	3.48	3.41	3.42	3.52

WORKING HOURS



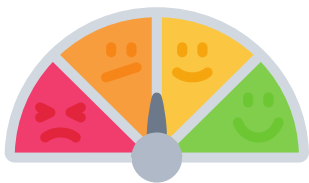
There was little variation in workers' contracted hours, except at Bell Gully - where respondents were contracted to work an additional 7.5 hours (ie, a working day) per week.



On average, respondents worked approximately 6 hours more than their contracted hours per week.

Type of employer	Average hours contracted to work	Average hours actually worked	Satisfaction with hours being worked (1 – not at all satisfied, 5 – highly satisfied)
Total	38.7	44.7	3.1
Large private firm (25+ partners)	38.7	46.2	2.8
Medium private law firm (6 - 24 partners)	38.1	46.3	2.4
Small private law firm (1 - 5 partners)	39.0	46.3	3.4
Private in-house	39.3	41.8	3.5
Public sector	38.7	41.4	3.4

On average, employees at the below firms work 44.7 hours per week. Satisfaction with hours are low. The highest score is 3.4 and the average response is 2.9.



Satisfaction with hours has little correlation with number of hours above contracted hours worked, suggesting other factors influence satisfaction. For example, Simpson Grierson has the lowest average hours of any private sector firm, yet it has the third lowest satisfaction score.

Employer	Hours contracted to work	Average hours actually worked	Satisfaction with hours being worked (1 – not at all satisfied, 5 – highly satisfied)
Bell Gully	45	49.0	2.5
Buddle Findlay	37.5	45.1	3.4
Chapman Tripp	37.5	44.6	3.1
Crown Law Office	37.5	40.7	3.1
Dentons Kensington Swan	37.5	43.8	3
Duncan Cotterill	37.5	44.5	1.8
Meredith Connell	37.5	49.1	3.1
MinterEllisonRuddWatts	37.5	45	2
Morrison Kent	40	45	2.5
Russell McVeagh	37.5	44.2	3.7
Simpson Grierson	37.5	42.2	2.3



BILLABLE TARGETS



As reported in the 2019 survey, for many respondents, billable hour targets are set unrealistically high. Once time for administration, personal development, and non-billable work is taken into account, employees are effectively required to work more than their contracted hours if they are to meet their billable targets.

Respondents that had billing targets were typically expected to bill approximately 6 hours per day. 70% of respondents felt that there was a lot or some pressure to meet their targets. Only 30% of respondents felt there was little or no pressure at all to meet their targets.

ALWU reported in the 2019 survey the common misconception that junior lawyers are of minimal value to law firms in their first two years of practice. That rhetoric is used to justify low pay and expectations of long hours. However, it is also common knowledge that even graduate lawyers are charged out to clients at hundreds of dollars per hour. Considered in that light, the high billable hours per day targets at large law firms contradict the myth that junior lawyers are not earning employers any money. Furthermore, advocates of the rhetoric would say that law graduates frequently do not meet their budgets. ALWU notes that law graduates frequently do necessary, but non-billable, work such as making bundles, filing, preparing business development presentations, and organising office social events. This work is not billable, but it is also not optional. ALWU advocates for recognition of the value that all employees, regardless of their experience level, bring to the law firms.

The below tables summarise the pressure felt by respondents at each year level to meet billing targets. A numeric scale was used, where a 1 means no pressure was felt to meet billing targets and a 5 means extreme pressure was felt.

Year level	Average level of pressure to meet billing targets (1 – no pressure at all, 5 – extreme pressure)
Less than 1-year legal experience (law graduate)	2.8
1 year	2.5
2 years	3.8
3 years	3.4
4 years	3.2

Employer	Pressure to meet budget – law graduate	1-year legal experience	2 years	3 years	4 years+
Bell Gully	2	4	5	-	4
Buddle Findlay	1.7	2.5	3	2	2.8
Chapman Tripp	2	2	3	2	-
Dentons Kensington Swan	-	3	3	4	3.5
Duncan Cotterill	2	4	4.5	4	4
Meredith Connell	4	-	4.5	4.3	4.3
Simpson Grierson	2	3	3.25	2.25	4

GENDER AND THE LAW

This section looks at gender differences (if any) in relation to how satisfied respondents were about pay and their hours; how valued they felt; how satisfied they were with the workplace culture; how likely they would be to recommend their job to others; and their overall job satisfaction.

ALWU acknowledges that its tables below are limited to female and male. Unfortunately, ALWU had insufficient data to reflect gender diverse / non-binary people. ALWU intends to be more purposeful in the future to ensure a wider range of participants and to properly represent gender diverse people.

Overall, there was minimal gender difference in job satisfaction, culture satisfaction, feelings of value, work hour satisfaction, and likelihood of recommending the job to others. Overall, male respondents were slightly less satisfied with their pay.

The trend was similar at large law firms, although the gender difference in pay satisfaction was more pronounced, with men rating pay satisfaction 0.36 out of 5 points lower than women. At medium-sized law firms, men tended to rate their employers higher than women did across all factors, except in relation to pay satisfaction. Women at medium law firms tended to feel slightly less valued and were less likely than their male colleagues to recommend their job to others.

Interestingly, female respondents fared much better at small firms across all factors, both relatively and objectively. They felt more valued; were more likely to recommend their job to others; and were more satisfied with the workplace culture, their pay and hours, and their job overall. This was true not only compared to male respondents at small firms, but also compared to female respondents at medium and large firms. By contrast, men were on average less satisfied with the culture at small firms compared to men at medium and large firms.

Finally, gender differences were less pronounced in the public sector and at NGOs, although women still tended to be more satisfied with pay, felt more valued, and were more likely to recommend their job to others.



Across all workplaces

	Pay satisfaction	Work hour satisfaction	Feeling valued	Culture satisfaction	Would recommend job to others	Overall job satisfaction
Female	3.14	3.59	3.48	3.41	3.42	3.52
Male	2.78	3.40	3.44	3.31	3.40	3.40
Difference	0.36	0.19	0.04	0.10	0.02	0.12

Large private law firm (25+ partners)

	Pay satisfaction	Work hour satisfaction	Feeling valued	Culture satisfaction	Would recommend job to others	Overall job satisfaction
Female	3.00	3.12	3.10	3.25	3.16	3.31
Male	2.54	3.00	3.29	3.23	3.23	3.17
Difference	0.46	0.12	0.19	0.02	0.07	0.14

Medium private law firm (6 - 25 partners)

	Pay satisfaction	Work hour satisfaction	Feeling valued	Culture satisfaction	Would recommend job to others	Overall job satisfaction
Female	2.43	3.14	3.05	2.95	2.76	2.81
Male	2.22	3.44	3.78	3.22	3.56	3.33
Difference	0.21	0.30	0.73	0.27	0.80	0.52

Small law firm (1 - 5 partners)

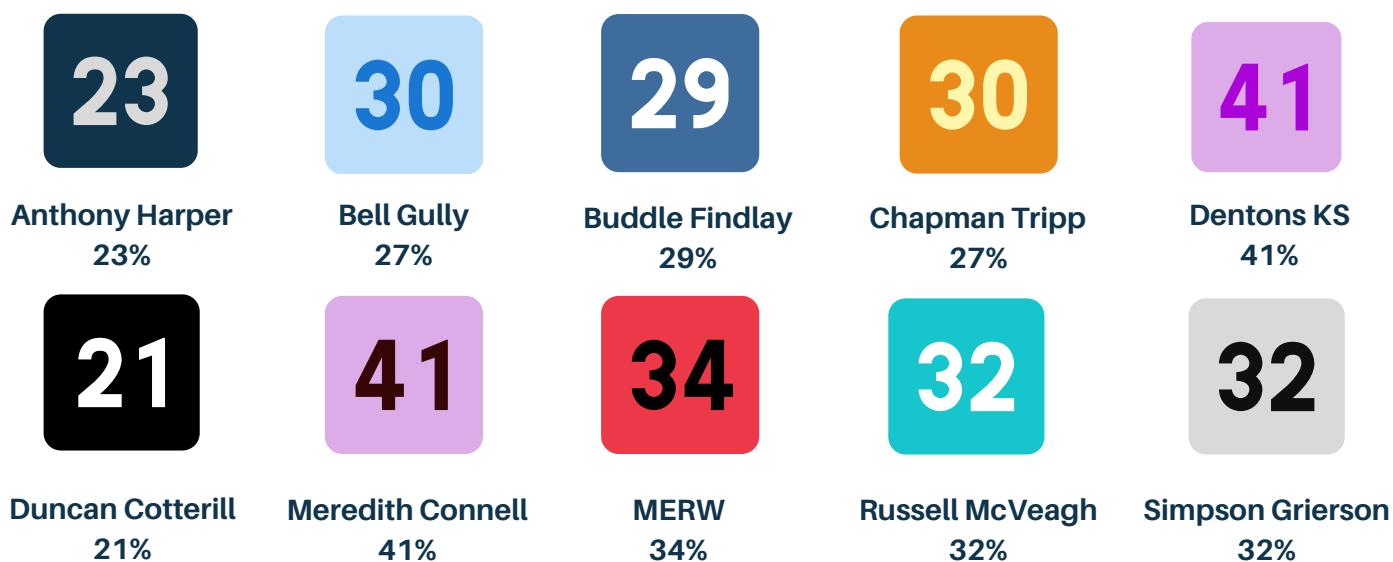
	Pay satisfaction	Work hour satisfaction	Feeling valued	Culture satisfaction	Would recommend job to others	Overall job satisfaction
Female	3.50	3.80	4.00	3.80	3.75	3.95
Male	3.00	3.00	3.11	2.56	2.78	3.00
Difference	0.50	0.80	0.89	1.24	0.97	0.95

Public service and NGOs

	Pay satisfaction	Work hour satisfaction	Feeling valued	Culture satisfaction	Would recommend job to others	Overall job satisfaction
Female	3.50	4.29	4.02	3.68	4.13	4.03
Male	3.14	4.14	3.68	3.86	3.77	3.86
Difference	0.36	0.15	0.34	0.18	0.36	0.17

Women in partnership

Percentage of female partners at New Zealand's largest law firms



ALWU considers that increasing the number of women partners in large law firms will assist in closing the gender-wage gap. However, ALWU notes that promoting privileged Pākehā women to partnership will not address diversity issues by itself. Gender diversity is only one required element of a much larger problem. Law firms will only begin to improve their cultures when there is also increased diversity in all its forms - ethnicity, gender identity, class, political ideology, age, and increased representation of people with disabilities.

Gender issues are nuanced and there will be a range of factors influencing that response. ALWU considers that an increase in the number of women in leadership roles will be beneficial for women in law firms.

MENTAL HEALTH

Overall, 74% of respondents stated that their mental health had suffered as a result of their work and 81% of respondents stated that they knew of at least one colleague whose mental health had suffered as a result of their work.

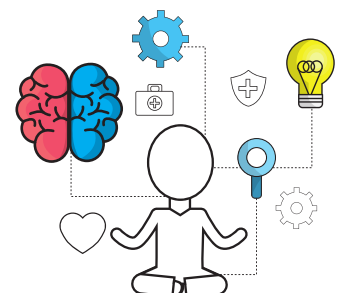
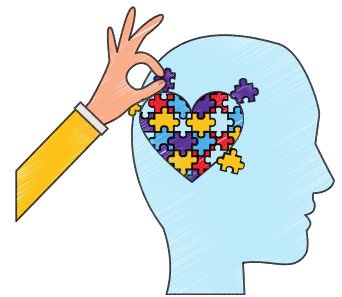
The Survey gave the option for respondents to share the adverse impacts of mental health in the workplace. 58% of respondents who stated their mental health had suffered shared some detail. Common themes were stress, anxiety, burnout, poor or no supervision, and a lack of feeling valued. Respondents frequently stated that they were given an unreasonable workload requiring them to work late to complete tasks and the prevailing attitude was that overtime was normal, resulting in complaints being ignored. Bullying by senior staff was frequently mentioned as a cause of poor mental health.

Those identifying as women reported a higher incidence of their mental health suffering compared to their counterparts (80% for women as opposed to 61% for men). Those working in the private sector also reported a higher incidence of their mental health suffering compared to those in the public sector. There were insufficient responses from non-binary people to collate an overall response.

Of the large law firms, workers at Meredith Connell reported the highest rates of impact on their mental health, with 92% of respondents stating their work had impacted their mental health.

Respondents from three firms reported extremely high rates of work adversely impacting their colleagues' mental health. Rates of reported damage to colleagues' mental health was almost always higher than for the respondents' own mental health, with extremely high rates of respondents stating they were aware of mental health impacts on colleagues. ALWU is saddened to see this Report reflect the significant issue of mental health in the legal profession. Unfortunately, the data shows that despite increased rhetoric in this area over the last two to three years, not enough is being done to properly combat this important issue in practice.

Type of employer	Own mental health has suffered because of their work (%)	Colleague's mental health has suffered because of their work (%)
Total	74%	81%
Large private law firm (25+ partners)	76%	88%
Medium private law firm (6 – 24 partners)	84%	94%
Small private law firm (1 – 5 partners)	71%	71%
Private in-house	78%	67%
Public sector	65%	68%



	Own mental health has suffered because of their work (%)	Colleague's mental health has suffered because of their work (%)
Total	74%	81%
Female	80%	83%
Male	61%	75%

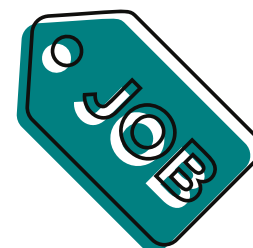
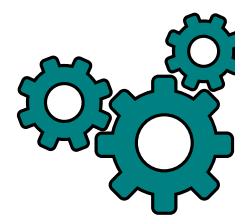


Female respondents had reported more mental health consequences because of their work compared to their male counterparts.



Respondents were more likely to report that their friend's mental health had suffered, rather than their own.

Employer	Own mental health has suffered because of their work (%)	Colleague's mental health has suffered because of their work (%)
Bell Gully	83%	92%
Buddle Findlay	60%	80%
Chapman Tripp	71%	86%
Crown Law Office	70%	70%
Dentons Kensington Swan	50%	100%
Duncan Cotterill	90%	90%
Meredith Connell	92%	96%
Simpson Grierson	70%	90%



Overall impression

Employer	"I feel valued in my job"	"I am satisfied with the culture at my workplace"	"I would recommend my job to others"	"Overall, I am satisfied with my job"	Combined total
Bell Gully	2.54	2.70	2.77	2.85	10.86 / 20
Buddle Findlay	3.72	3.50	3.56	3.72	14.50 / 20
Chapman Tripp	3.75	3.38	3.38	3.25	13.76 / 20
Crown Law Office	4.30	4.60	4.40	4.60	17.90 / 20
Dentons Kensington Swan	2.86	3.14	3.57	3.71	13.28 / 20
Duncan Cotterill	2.30	3.20	2.40	2.90	10.80 / 20
Meredith Connell	3.27	3.10	3.07	3.17	12.61 / 20
Simpson Grierson	2.85	3.31	3.15	2.85	12.16 / 20

RECOMMENDATIONS

Based off the information gathered in the Survey and reflected in this Report, ALWU makes the following recommendations to move us towards a fairer, more inclusive, more productive, and safer profession.

Minimum and living wage

- Firms should increase awareness of what is being done to monitor compliance with the Minimum Wage Act.
- Firms should increase salaries to ensure employees cannot fall below minimum wage with minimal overtime.
- All employers should become living wage certified.

Salaries

- Private sector law firms should increase junior lawyer salaries by at least \$15,000 at each level.
- Crown Law should lift salaries to be on par with other public sector organisations.

Bonuses

- Firms should create and publish transparent frameworks for calculating bonuses and consult staff on what performance should be considered deserving of a bonus.
- Firms should follow the above policy and eliminate discretionary bonuses between different partners. Alternatively, a small discretionary system should be run in parallel with the above.
- Bonuses should not be calculated on time billed as this is beyond the employee's control. Instead, they should reflect key performance indicators and time worked.
- Bonus quantum should be increased to a meaningful level. This should be no less than 10% of the employee's annual salary.

Overtime

- Non-discretionary overtime policies should be implemented in all firms, in consultation with staff.
- Overtime policies should come into effect after no or minimal overtime is worked.
- Overtime should be paid automatically.
- Overtime should be paid at no less than the employee's salary pro-rated.
- Working over a certain number of hours should increase the rate of overtime to 150% of salary and an even higher number of hours should raise the entitlement to 200%.

TOIL

- All employers should begin implementation of non-discretionary TOIL policies, in consultation with all staff.
- All policies should be documented in writing and be non-discretionary.
- Informal TOIL policies should be formalised.
- The circumstances in which TOIL is given should be expanded. It should include, at a minimum, working a certain number of hours of overtime and on weekends.
- TOIL policies should be seen as a necessary part of overtime pay, rather than as an "either / or" option.

Working hours

- Firms must recognise that their employment agreements often do not reflect actual hours of work.
- Increased overtime, TOIL, and supervision should be applied to reduce psychosocial harm caused by excessive hours.

Billing targets

- Billing targets should be eliminated for staff who do not control their own workflows or bills. They can be replaced by key performance indicators.
- Financial information for each team and the firm as a whole should be shared with employees to ensure transparency and work towards a more inclusive, team-focused culture.

Mental health

- Mental health must be immediately recognised as a significant issue in the legal profession.
- Private sector firms should recognise that any efforts to date have failed to address the issue and there remains widespread mental health issues suffered by legal workers.
- Broad consultation with all staff should be undertaken to understand why mental health is so poor.
- Mental health must be prioritised over profits. This includes recognising long hours and bullying from supervisors as being significant causes of negative mental health impacts.
- Zero tolerance policies to bullying and exploitation should be put in place, in consultation with staff.
- Supervisors who have been identified as engaging in bullying behaviours should be prohibited from having unsupervised management of junior staff until they have received training and have improved their behaviours (to be confirmed only after consultation with affected staff).

Overall satisfaction

- Law firms must engage in genuine consultation with staff around how to improve workplace satisfaction. Anonymous feedback to management should be part of this consultation to ensure genuine feedback.
- Consultation and culture should be viewed as ongoing work rather than a single moment-in-time or box-ticking exercise.
- Staff must be included in the decision-making process, including having the opportunity to appoint representatives to the Board.

Implementation

- ALWU encourages all legal workers to join ALWU and work towards collectively bargaining for the above rights in their workplaces.



Where to next? Collective bargaining

ALWU's research and this Report demonstrates profession-wide issues around salaries and working conditions, undoubtedly arising out of a power imbalance between legal workers and their employers. Collective bargaining can address this.

Collective bargaining is underpinned by the duty of good faith (Employment Relations Act (**ERA**), s 31). This requires parties bargaining to conclude a collective agreement unless there is a genuine reason, based on reasonable grounds, not to (ERA, s 31). This means there is a legal obligation on law firms to engage with ALWU in collective bargaining.

Where there is no existing collective agreement at a workplace, a union can initiate bargaining at any time. Clauses could include overtime clauses, TOIL policy, mandatory mental health support, and redundancy clauses.

ALWU is encouraging members to consider collective bargaining as a legitimate next step to improve working conditions and salaries. When more people ask for change, it is harder to ignore – there is power in numbers.